

The Local Government Pensions Committee  
Secretary: Mike Walker

## **CIRCULAR**

Please pass on sufficient copies of this Circular to your Treasurer/Director of Finance and to your Personnel and Pensions Officer(s) as quickly as possible

**No. 182 - MARCH 2006**

### **PRACTITIONER & EMPLOYER TRAINING EVENTS**

**(1) 'UNDERSTANDING RETIREMENT BENEFITS' WORKSHOPS**

**(2) 'INSIGHT' RESIDENTIAL TRAINING COURSES**

**(3) CONTINUING PROFESSIONAL DEVELOPMENT SCHEMES (PMI & IPPM)**

#### **Purpose of this circular:**

This Circular has been issued to advise authorities of the following events being organised by the Local Government Pension Committee:

- a) a number of regional workshops that are aimed at both administering and employing authority staff engaged in pension scheme administration and which look at the retirement benefits provided by the Local Government Pension Scheme";
- b) a residential course aimed at both administering and employing authority staff engaged in pension scheme administration; and
- c) to advise authorities of the accreditation of LGPC events by the Pensions Management Institute and the Institute of Payroll and Pensions Management.

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INVESTOR IN PEOPLE

## **1) 'UNDERSTANDING RETIREMENT BENEFITS' WORKSHOPS FOR PRACTITIONERS/EMPLOYERS**

### **Background**

Since 2003 the LGPC has held numerous one-day *Understanding Workshops* covering many subject areas including Compensation, Injury Awards & Gratuities, Transfer Values, Death & Survivor's Benefits, Inland Revenue Limits, Pensions on Divorce, and Guaranteed Minimum Pensions. Between September 2005 and February 2006 two new courses in the Understanding series were held, namely "Pay and Membership" and "Retirement Benefits".

All these one-day training events have been very well received and in many cases over-subscribed (the LGPC intentionally keeps the "class" size to a maximum of 12 people to ensure that delegates get the most from the learning experience). The demand for the Understanding Retirement Benefits Workshop was unprecedented and despite a number of overflow events being held at some geographical locations, a significant number of people remained on the on-line booking system reserve list.

Further workshops have now been arranged later in the calendar year and reserves have already been notified of the dates and locations. These workshops are now available for general booking. It is important to note that the material will be updated from that already delivered, to take account of any changes in the retirement benefit structure of the LGPS due to impending regulatory changes.

### **Intended Audience**

The Understanding series is topic-specific and although little or no knowledge is expected of the delegates in the particular subject area, it is assumed that delegates will normally have a sound working understanding of the basics of the Local Government Pension Scheme.

The workshops will include material on the assessment of final pay as well as the various retirement benefits available from the pension scheme. A working knowledge of the structure of the scheme is therefore desirable and these workshops should appeal to both administering and employing authority staff who deal with the calculation of estimated or actual retirement benefits or who are responsible for completing and issuing leaver forms to (ex) employees and / or to the administering authority.

### **Details of workshops**

At the Understanding Workshops, delegates have the benefit of an experienced tutor, hands-on exercises and a workbook they can take away for future reference. Each Understanding workshop will start at 10:00 a.m. and finish no later than 4:00 p.m., with lunch and refreshment breaks included. As the workshops are delivered "locally" this should avoid the time and expense of overnight stays for many delegates.

**Further details on course content, locations and dates can be found in Appendix A attached to this Circular.**

## **Cost and Booking**

The delegate rate for these workshops, inclusive of lunch, refreshments and all delegate materials is being held at the 2005/06 level of £130 (plus VAT at the standard rate). Early booking is strongly recommended as places are strictly limited. Please remember that each event is limited to 12 delegates.

Bookings are made via the events booking facility on the Employers' Organisation website at [www.lg-employers.gov.uk/events](http://www.lg-employers.gov.uk/events). When booking, you will need full delegate details to hand including the address to which the invoice for payment is to be sent. Should any event be full you will be asked to place your name on a reserve list for that location. It is important to do so as, not only will you have a chance of attending if any cancellations occur, but it also enables the LGPC to judge demand for future events or, on occasion, to organise overflow events.

If you experience any difficulties in using the website booking facility or do not have access to the internet, please contact Elaine English, LGPC Executive Officer, on 0207 296 6745.

## **2) 'INSIGHT' RESIDENTIAL TRAINING COURSE FOR PRACTITIONERS AND EMPLOYERS**

### **Background**

The way in which the pensions function is divided between administering and employing authorities appears to vary dramatically nationwide. Also, where the administering authority and employing authority are one and the same, which offices or individual officers within that authority have responsibility for what part of the pensions function, appears to vary dramatically too. Some employing authority staff (either Human Resources or Finance/Payroll) occupy posts that are mainly or wholly pension scheme related.

Although it was originally envisaged that there might be a need to devise separate training events for employing authority staff and staff in administering authority Pension Sections, we concluded that a foundation course for practitioners that was equally attractive to administering and employing authority staff could well meet the training needs of both sides whilst having the added advantage of fostering good working relationships. Since the Aberystwyth pilot in April 2004, the LGPC has run a number of Insight residential courses at various locations in England and Wales and this has proved to be the case.

### **Course Details**

Circular 179 of December 2005 announced that three courses were envisaged for 2006 and advertised the first event to be held in Scarborough in May 2006, delegate places at which are now sold-out.

Two further courses have now been arranged. One in Eastbourne in the South-East of England on 4<sup>th</sup> to 7<sup>th</sup> September 2006 and another at Lundin Links (near St Andrews and Glenrothes) in the Kingdom of Fife, Scotland, on 9<sup>th</sup> to 12<sup>th</sup> October 2006. Those

lodging an expression of interest in these events following the issue of Circular 179 will already have been contacted and both events are now open for general booking via the on-line booking system.

A full programme of events is attached as Appendix B, but highlights of the course are:

- A history of the Scheme and Current Developments
- How membership counts in the calculation of benefits
- The benefits the scheme provides and how they are calculated
  - Preserved Benefits
  - Retirement Benefits
  - Redundancy and Efficiency Retirements
  - Death Grants and Survivors' Benefits
- Minimising and resolving disputes
- Effective Communications

### **Intended Audience**

All those involved in LGPS administration. It is suitable for Pensions Office staff and also HR/Finance/Payroll staff for whom the pensions function plays a significant part in their day-to-day and employing authority role. Being a foundation course, the course is aimed at staff who are either relatively new to the pensions scene, or have some experience but want to better understand their and others' responsibilities under the terms of the scheme.

One of the keys to successful administration of the pension scheme is good communication and co-operation between Employing and Administering Authorities and, as well as giving an insight into all aspects of the scheme, this course takes a look at the relative roles and responsibilities of the two parties and seeks to promote best practice.

The Insight material at Eastbourne will be based on the regulations applicable to English and Welsh authorities whereas the event in Scotland will be based on the regulations applicable to Scotland. Whilst there are remarkable similarities, authorities are recommended to attend the event based on the regulations that apply to them.

### **Cost and Booking**

The cost of each residential course is £595 (plus VAT at the standard rate) per delegate. This includes full board accommodation throughout the event, all delegate material (the session handouts build up into a handy reference guide) and a course certificate.

Bookings are made via the events booking facility on the Employers' Organisation website at [www.lg-employers.gov.uk/events](http://www.lg-employers.gov.uk/events). When booking, you will need full delegate details to hand including the address to which the invoice for payment is to be sent. Early booking is highly recommended as places are limited to 15 at each event. In the event that the course is fully booked you are advised to enter your name on the reserves' list as this will ensure you are given priority should any delegate cancellations occur.

If you experience any difficulties in using the website booking facility or do not have access to the internet, please contact Elaine English, LGPC Executive Officer, on 020 7296 6745.

### **3) CONTINUING PROFESSIONAL DEVELOPMENT SCHEMES**

#### **Pensions Management Institute (PMI)**

The Pensions Management Institute<sup>1</sup> was formed in 1976 to promote professionalism amongst those involved with pensions. It is an independent, non-political organisation that establishes, maintains and improves professional standards in every aspect of pension scheme management and consultancy.

Membership of the PMI is on an individual basis and is open to those with experience in any aspect of pension scheme management or administration. The PMI's Continuing Professional Development programme is designed to formally recognise the continued study done by qualified members of the Institute to ensure that they keep their knowledge up-to-date.

Previously, accreditation of LGPC events was sought on an event-by-event basis (see LGPC Circular 154<sup>2</sup> of April 2004 for details) but in January 2006 the Institute made changes to their CPD system, allowing the accreditation of companies or organisations that provide suitable courses.

The Local Government Pensions Committee has been granted CPD Accredited Course Provider 2006 status and all "Understanding" Workshops count as 6 hours towards a PMI member's CPD. PMI members will need to record their attendance on their CPD record sheet as normal. As the "Insight" course is classed as introductory material by the PMI, this does not carry CPD accreditation.

#### **Institute of Payroll and Pensions Management (IPPM)**

Following the announcement of formal accreditation by the PMI, a number of delegates at LGPC training events raised the question of counting their attendance as CPD for another professional body, the Institute of Payroll and Pensions Management (IPPM)<sup>3</sup>. Following discussions with the Institute, the LGPC is pleased to announce that its training events can now be recorded on IPPM Continuing Professional Development logs.

The IPPM has for most of its twenty-one year history been a marriage between a professional membership organisation and a commercial training operation. The purpose of the Institute of Payroll and Pensions Management is to raise the standards of professionalism across the payroll industry by:

- Improving technical skills and practical experience
- Working with government to ensure practical implementation of relevant legislation

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<sup>1</sup> Further details about the PMI can be found on their website at [www.pensions-pmi.org.uk](http://www.pensions-pmi.org.uk)

<sup>2</sup> Available on-line at [www.lg-employers.gov.uk/pensions/circulars.html](http://www.lg-employers.gov.uk/pensions/circulars.html)

<sup>3</sup> Further details about the IPPM can be found on their website at [www.ippm.org](http://www.ippm.org)

- Promoting the highest standards of professional conduct

Participation in the CPD programme is available free only to IPPM members. CPD can be earned from both IPPM and non-IPPM activities.

Participants of the IPPM CPD programme should record their attendance at LGPC training events on their CPD log as usual, retaining any evidence of attendance.

If you wish to participate in the IPPM CPD Programme, but are not an IPPM member, you can register online at [www.ippm.org](http://www.ippm.org). Or if you wish to discuss the CPD programme in any detail, you may contact the IPPM's CPD Officer, Tina Russell at [tina.russell@ippm.org](mailto:tina.russell@ippm.org).

## **ACTIONS FOR ADMINISTERING AUTHORITIES**

Many employing authority staff could benefit by attending some of the workshops outlined in this Circular and increased understanding of the issues at employer level would benefit the administering authority too. All Administering Authorities are therefore urged to copy this Circular to all employers in their Fund (other than to Local Authorities to whom this Circular has been sent direct) or bring the Circular to the attention of employers by directing them to the Circular on-line at [www.lg-employers.gov.uk/pensions/circulars.html](http://www.lg-employers.gov.uk/pensions/circulars.html)

**Tim Hazlewood**  
**LGPC Training and Development Manager**  
**13 March 2006**

*Understanding...Retirement Benefits*

**Course content covers:**

**1) Final Pay Calculations**

Whole-time, Part-time and Casual members  
Certificates of Protection

**2) Types of Retirement**

What is Normal Retirement Date?  
Age/Normal retirement  
Late retirement  
Ill-Health Retirement  
Early retirement and Actuarial Reductions  
Re-employment of a pensioner

**3) Redundancy and Efficiency Retirements**

Pension Fund Benefits  
Enhanced Rechargeable Benefits  
Re-employment  
Augmentation

**4) Early leavers**

Preserved Benefits  
Requests for preserved benefits to be brought into payment

**5) Other areas for consideration**

Notifying the leaver of their benefit options  
Standard Benefits? - conversion of pension to/from lump sum  
Pensions Increase  
Employer discretions  
The Internal Dispute Resolution Procedure (IDRP)

**Workshop locations & dates:**

Birmingham	11 September 2006
Birmingham	12 September 2006
Cardiff	19 September 2006
Edinburgh	21 September 2006
Leeds	26 September 2006
Leeds	27 September 2006
Liverpool	4 October 2006
Liverpool	5 October 2006

**“INSIGHT”  
Course Programme**

**Day One**

- 7:00 p.m. **Introduction to the Course / Icebreaker**  
An opportunity for the delegates to introduce themselves, this short session includes a non-physical team-building exercise that attempts to prove that co-operation and team-work do produce better results.
- Includes evening meal at 8:00 p.m.

**Day Two**

- 9:15 a.m. **Perspective**  
A look at the history of state and private pension provision in the UK, with an emphasis on the LGPS and how it has changed over the decades and is still changing. The session concludes with an exploration of the relative roles of employing and administering authorities.
- 10:15 a.m. **To join or not to join – that is the question**  
With membership being voluntary and take-up in some local authorities reportedly as low as 50 to 60% of those eligible, we take a look at the choices facing each and every person eligible for scheme membership. We look at the effects not only on the employee but the impact on the employing authority and the Pension Fund itself.
- 11:00 a.m. Refreshment Break
- 11:30 a.m. **A Great British Scheme?**  
An overview of the current scheme, a look at how it is funded (employee and employer contributions) and a look at the valuation process. We will look at the discretions available to employing authorities and administering authorities, how the exercise of those discretions can impact on both workloads and employers’ contribution rates. This session includes a discussion on the importance of accurate and timely information.
- 12:30 p.m. Lunch



- 2:00 p.m.     **How membership counts**  
A look at the way in which membership counts in the calculation of benefits, including an examination of the differences between whole-time, part-time and casual employees. With the advent of mandatory annual benefit statements we will take a close look at the need for up-to-date and accurate records for scheme members.
- 3:30 p.m.     Refreshment Break
- 4:00 p.m.     **Improving the benefits**  
A look at the options available and a weigh-up of the relative merits of buying additional service, paying in-house or free-standing AVCs and using alternative tax-efficient saving vehicles.
- 5:00 p.m.     Session closes

### **Day Three**

- 9:15 a.m.     **Early Leavers' benefits**  
A look at the range of options available including refunds, preserved benefits, and inter-fund adjustments. This will be supplemented by a close look at what needs to be done, and when, as required by the pension scheme regulations and other, overriding legislation.
- 10:30 a.m.    Refreshment Break
- 11:00 a.m.    **Transfer Values**  
We take a look at transferring into and out of the LGPS and give an explanation of the methodology, both club and non-club, and what scheme members should take into account when making their decision whether to transfer or not. We also look at the potential effect the receipt or payment of transfers may have on employers' funding levels and contribution rates.
- 12:30 p.m.    Lunch
- 2:00 p.m.     **Retirement Benefits**  
A look at all the various retirement benefits available including ill-health retirement, an explanation of actuarial reductions and the possibility of converting pension into lump sum.
- 3:30 p.m.     Refreshment Break.

4:00 p.m.     **Redundancy and Efficiency Retirements**  
A look at two further types of retirement including the possibility to award added membership or grant a lump sum compensation payment. The strain on the Pension Fund of early retirement is looked at, as is the augmentation of benefits as an alternative.

5:15 p.m.     Close

### **Day Four**

9:15 a.m.     **Survivors' benefits**  
A look at widow's, widower's, civil partners' and children's pension provision in the LGPS. We also look at death grants and how they are calculated and hear of the absolute discretion the administering authority has in making the payment.

10:45 a.m.    Refreshment Break

11:15 a.m.    **It'll be alright on the night**  
A look at the dispute resolution procedures contained in the LGPS, what can go wrong and how all parties in the pensions function can work effectively, both individually and collectively, in order that mistakes can be minimised. This session includes an important look at effective communication.

12:15 p.m.    **What's happening now – and what happens next?**  
An insight into current developments and an exploration of possible futures for the LGPS.

12:55 p.m.    **Course Certificates**  
The award of course certificates.

13:00 p.m.    **Course ends with Lunch**

NOTE: All timings are approximate

**Distribution sheet**

Chief executives of local authorities (3 copies)  
Pension managers of administering authorities  
Pension managers (outsourced) and administering authority client managers  
Officer advisory group  
Local Government Pensions Committee  
Trade unions  
ODPM  
COSLA  
SPPA  
Regional Directors  
Private clients

**Website**

Visit the EO's website at:  
[www.lg-employers.gov.uk/pensions/index.html](http://www.lg-employers.gov.uk/pensions/index.html)

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